GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

A.P. Financial Code - Inclusion of **Insurance Surety Bond** as security instrument - Amendment to Articles 129 and 279 of A.P. Financial Code, Volume 1 – Orders- Issued.

FINANCE (HR.V-TFR-A&L-EWF) DEPARTMENT

G.O.Ms.No.94 **Dated:13-11-2024**

Read the following:-

1.G.O.Ms.No 94, I&CAD(PW_Reforms) department, Dated 01.07.2003.
2.G.O.Ms.No.12, ITEC(e-Procurement wing) Department, Dated 01.06.2016.
3.Office Memo No.F.1/1/2022-PPD,GOI,Ministry of Finance Department of Expenditure Procurement Policy Division, dated:02.02.2022.

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ORDER:

Article 129(a), read with Article 279 of the AP Financial Code, stipulates security from a private person or a firm making a contract with the Government in various forms like cash, promissory notes, post office saving bank deposits, deposit receipts from scheduled bank etc.

2. As part of the reforms in the works contract system outlined in the GO 1st cited, Para No.10 & 12 of annexure to the GO ibid allowed bidders to submit the Bank Guarantee for the purposes of EMD and Performance security. Vide GO 2nd cited, the bidders were allowed facility to pay the EMD using net banking/RTGS/NEFT.

3. In the reference 3rd cited, the Department of Expenditure, Ministry of Finance, Government of India has amended Rule 170 (i) and Rule 171 (i) of the General Financial Rules (GFR),2017, to include an **Insurance Surety Bonds** as an instrument of 'Bid Security' and 'Performance Security' apart from the existing forms of security deposit.

4. Hence, after careful examination, the government hereby permits **Insurance Surety Bonds**, issued as per the IRDAI guidelines, as an instrument in addition to the current forms of Security and hence Article 279 of the AP Financial Code stands modified accordingly.

5. All departments are requested to amend wherever applicable, the relevant departmental codes/manuals to this effect, following due procedure as per AP Business Rules.

6. The MD, APTS and CEO, APCFSS shall make necessary arrangements in the e-procurement portal and Works Modules respectively.

(P.T.O)

7. This G.O. is available online at http://www.goir.ap.gov.in.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PEEYUSH KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

To
All the Departments of Secretariat, GoAP.
All the HoDs/ Corporations under GoAP.
The DWA/DTA/DSA.
All the District Collectors.
Copy to:
The Principal Accountant General(Audit), A.P.
The Principal Accountant General(A&E), A.P.
PS to Hon'ble Chief Minister, Government of A.P.
OSD to Minister for Finance Department.
PS to Chief Secretary to Govt
PS to Spl CS, Finance/Prl Secretary (HR)/Secretary (B&IF)/Secretary (RM&FP)
All the Sections of the Finance Department.
SF/SCs(2563595)

//FORWARDED :: BY ORDER//

SECTION OFFICER